

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF KENTUCKY FRONTIER)
GAS, LLC, DBA PEOPLE'S GAS, INC.) CASE NO. 2012-00443

ORDER

On January 29, 2010, in Case No. 2009-00492, the Commission approved Kentucky Frontier Gas, LLC's ("Kentucky Frontier") acquisition of the assets of People's Gas, Inc.¹ Upon completion of the acquisition, Kentucky Frontier d/b/a People's Gas, Inc. ("People's") adopted the tariff of People's, which included a Gas Cost Adjustment ("GCA") clause that provided for the adjustment of rates on a quarterly basis to reflect changes in the cost of purchased natural gas.

On September 28, 2012, People's filed its GCA to be effective November 1, 2012.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. People's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. People's notice sets out an Expected Gas Cost ("EGC") of \$4.5483 per Mcf, which represents a decrease of \$.1864 per Mcf from its previous EGC of \$4.7347 per Mcf.

¹ Case No. 2009-00492, Application of Kentucky Frontier Gas Company, LLC for Approval of Transfer of People's Gas Company Assets (Ky. PSC Jan. 29, 2010).

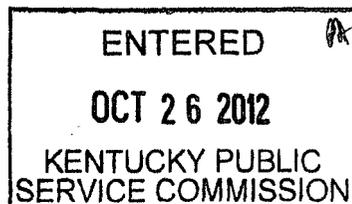
3. People's notice sets out no current quarter Refund Adjustment.
4. People's notice sets out a current quarter Actual Adjustment ("AA") in the amount of \$.0003 per Mcf. People's total AA of (\$.7832) per Mcf is a decrease of \$.1381 per Mcf from its previous total AA of (\$.6451) per Mcf.
5. People's GCA is \$3.7651 per Mcf, which is a decrease of \$.3245 per Mcf from its previous GCA of \$4.0896 per Mcf.
7. The rates in the Appendix to this Order are fair, just, and reasonable and should be approved for billing for service rendered by People's on and after November 1, 2012.

IT IS THEREFORE ORDERED that:

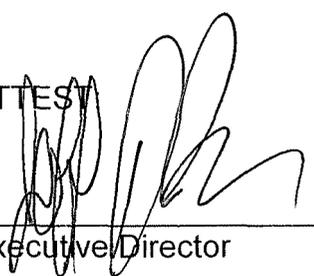
1. The rates in the Appendix attached hereto and incorporated herein are approved for billing for service rendered on and after November 1, 2012.
2. Within 20 days of the date of this Order, People's shall file its revised tariff sheets with this Commission setting out the rates authorized herein and reflecting that they were approved pursuant to this Order.

By the Commission

Commissioner Breathitt is abstaining from this proceeding.



ATTEST



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2012-00443 DATED **OCT 26 2012**

The following rates and charges are prescribed for the customers in the area served by People's Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

Monthly:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 1 Mcf – Minimum Bill	\$ 4.3971	\$ 3.7651	\$ 8.1622
Over 1 Mcf	\$ 2.7670	\$ 3.7651	\$ 6.5321

Dennis Horner
Kentucky Frontier Gas
4891 Independence Street, Suite 200
Wheat Ridge, COLORADO 80033